

H-3104-1 - BONDS

Oil and Gas or Geothermal Lease Bond,
Form 3000-4 (June 1987 Edition)

Form 3000-4 (June 1987) (Formerly 3104-1, 3104-2, 3104-8, 3106-4, 3200-12, 3200-13, 3200-16)	UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT OIL AND GAS OR GEOTHERMAL LEASE BOND Act of February 25, 1920 (30 U.S.C. 181 et seq.) Act of August 7, 1947 (30 U.S.C. 351-359) Department of the Interior Appropriations Act, FY 1981 (94 Stat. 2959) Act of December 24, 1970 (30 U.S.C. 1001-1025) Other Oil and Gas and Geothermal Leasing Authorities as Applicable	Bond Number _____ Lease Serial Number (For Individual Bond Only) _____
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CHECK ONE: ☐ OIL AND GAS ☐ GEOTHERMAL RESOURCES

CHECK ONE:
☐ SURETY BOND

KNOW ALL BY THESE PRESENTS, THAT _____ (name)
 of _____ (address)
 as principal, and _____ (name)
 of _____ (address), as surety,
 are held and firmly bound unto the United States of America in the sum of _____
 dollars (\$ _____),
 lawful money of the United States, which may be increased or decreased by a rider hereto executed in the same manner as this bond.

☐ PERSONAL BOND
 IN THE FORM OF (CHECK ONE) ☐ CASH or ☐ NEGOTIABLE SECURITIES

KNOW ALL BY THESE PRESENTS, That _____ (name)
 of _____ (address), as obligor, is held and firmly
 bound unto the United States of America in the sum of _____
 dollars (\$ _____), lawful money of the United States which sum may be
 increased or decreased by a rider hereto executed in the same manner as this bond.

The obligor, in order to more fully secure the United States in the payment of the aforesaid sum, hereby pledges as security therefor United States negotiable securities or cash, of a par value equal to the amount specified.

The obligor, pursuant to the authority conferred by Section 1 of the Act of September 13, 1982 (31 U.S.C. 9303), does hereby constitute and appoint the Secretary of the Interior to act as his attorney. The interest accruing on the United States securities deposited, in the absence of any default in the performance of any of the conditions, or stipulations set forth in this bond and the instrument(s) granting rights and interests in Federal lands, must be paid to the obligor. The obligor hereby for himself/herself, any heirs, executors, administrators, successors, and assigns, joint and severally, ratifies and confirms whatever the Secretary shall do by virtue of these presents.

The principal/surety shall apply this bond or the Secretary shall transfer this deposit as security for the faithful performance of any and all of the conditions and stipulations as set forth in this bond and the instruments granting rights and interests in Federal lands. In the case of any default in the performance of the conditions and stipulations of such undertaking, it is agreed that: (1) for a Surety Bond, the surety/principal shall apply the bond or any portion thereof; (2) for a Personal Bond, the Secretary shall have full power to assign, appropriate, apply or transfer the deposit or any portion thereof, to the satisfaction of any damages, assessments, late payment charges, penalties, or deficiencies arising by reason of such default.

This bond is required for the use and benefit of (1) the United States; (2) the owner of any of the land subject to the coverage of this bond, who has a statutory right to compensation in connection with a reservation of the oil and gas and geothermal deposits to the United States; (3) any lessee, permittee, or contractor, under a lease, permit, or resource sale contract issued, or to be issued, by the United States covering the same land subject to this bond, covering the use of the surface or the prospecting for, or the development of other mineral deposits in any portion of such land, to be paid to the United States. For such payment, well and truly to be made, we bind ourselves and each of our heirs, executors, administrators, successors, and assigns, jointly and severally.

CHECK ONE:

☐ NATIONWIDE BOND — This bond shall cover all operations conducted on Federal land by or on behalf of the principal/obligor in the United States except the National Petroleum Reserve in Alaska (NPR-A) and provided a rider is obtained, coverage of multiple exploration operations.

☐ STATEWIDE BOND — This bond shall cover all operations conducted on Federal land by or on behalf of the principal/obligor except the NPR-A and, provided a rider is obtained, also shall cover multiple explorations within the single State of _____.

☐ INDIVIDUAL BOND — This bond shall cover all operations conducted by or on behalf of the principal/obligor on the single lease identified by serial number above.

NATIONAL PETROLEUM RESERVE IN ALASKA (NPR-A) BOND — This bond shall cover:

☐ NPR-A LEASE BOND — The terms and conditions of a single lease.

☐ NPR-A WIDE BOND — The terms and conditions of all leases, and provided a rider is obtained, coverage of multiple exploration operations.

(Continued on reverse)

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BOND CONDITIONS

The conditions of the foregoing obligations are such that:

WHEREAS the obligor/principal has an interest in a lease(s) and/or responsibility for operations on a lease(s) issued under the Acts cited in this bond; and

WHEREAS the obligor/principal and surety agree(s) that without notice to the obligor/surety the coverage of this bond, in addition to the present holding(s) of and/or authorization(s) granted to the obligor/principal, shall extend to and include:

1. Any lease(s) hereafter issued to or acquired by the obligor/principal except under individual lease bonds, the coverage is to be confined to the obligor's/principal's holding(s) and/or authorization(s) granted under the Acts cited in this bond, and to become effective immediately upon such authorization, approval or issuance of a transfer in favor of the obligor/principal; and

2. Any transfer(s) of operating rights or operating agreement(s) hereafter entered into or acquired by the obligor/principal affecting lease(s); and

3. Any designation subsequent hereto of the obligor/principal as operator of a lessee under a lease(s) issued pursuant to the Acts cited in this bond; and

Provided, That the surety may elect to terminate the additional coverage authorized under this paragraph. Such termination will become effective 30 days after the BLM receives notice of the election to terminate. After the termination becomes effective, the additional interest(s) identified in this paragraph will not be covered by this bond; and

WHEREAS the obligor/surety hereby waives any right to notice of, and agrees that this bond shall remain in full force and effect notwithstanding:

1. Any assignment(s) of an undivided interest in any part or all of the lands in the lease(s), in which event the assignee(s) shall be considered to be coprincipal(s) on this bond as fully and to the same extent as though his/her or their duly authenticated signatures appeared thereon; and

2. Any assignment(s) of 100% of some of the lands described in the lease(s), the bond to remain in full force and effect only as to the lands retained in the lease(s); and

3. Any transfer(s) either in whole or in part, of any or all of the operating rights/agreements and further agrees to remain bound under this bond as to the interests in the operating rights/agreements retained by the principal; and

4. Any modification of a lease or operating right/agreement, or obligation thereunder, whether made or effected by commitment of lease or operating right/agreement to unit, cooperative, communitization or storage agreements, or development contracts, suspensions of operations or production, waivers, suspensions or changes in rental, minimum royalty and royalties, compensatory royalty payments, or otherwise; and

5. Any extension of a lease(s) covered by this bond, such coverage to continue without any interruption due to the expiration of the term set forth in the lease(s);

WHEREAS the obligor/principal and surety hereby agree(s) that notwithstanding the termination of any lease(s), operating right(s)/agreements or designations as operator by this bond, whether the termination is by operation of law or otherwise, the bond shall remain in full force and effect as to the terms and conditions of all remaining leases, obligations, operating agreements, or designations covered by the bond; and

WHEREAS the obligor/principal, as to any lease or part of a lease for lands to which he/she has been designated as operator, or approved as operator, in consideration of being permitted to furnish this bond in lieu of the lessees, agrees and by these presents does hereby bind himself/herself to fulfill on behalf of each lessee all obligations of such for the entire leasehold in the same manner and to the same extent as though he/she were the lessee; and

WHEREAS the obligor/principal and surety agree(s) that the neglect or forbearance of said lessor in enforcing, as against the lessees of such lessor, the payment of rentals or royalties or the performance of any other term, condition or agreement of the lease(s) shall not, in any way, release the obligor/principal and surety, or either of them from any liability under this bond; and

WHEREAS the obligor/principal and surety agree(s) that in the event of any default under the lease(s) the lessor may commence and prosecute any claim, suit, or other proceeding against the obligor/principal and surety or either of them, without the necessity of joining the lessees; and

WHEREAS if the obligor/principal fails to comply with any provisions of an oil and gas lease, and the noncompliance continues for thirty (30) days after written notice thereof, such lease shall be subject to cancellation and the obligor/principal shall also be subject to applicable provisions and penalties of the Federal Oil and Gas Royalty Management Act (30 U.S.C. 1701 et seq.). This provision shall not be construed to prevent the exercise by the United States of any other legal and equitable remedy, including waiver of the default.

NOW, THEREFORE If said obligor principal, his/her heirs, executors administrators, successors, or assigns shall in all respects faithfully comply with all of the provisions of the instrument(s) granting rights and interests in Federal lands referred to above, then the obligations are to be void; otherwise to remain in full force and effect.

4. Signed this _____ day of _____, 19____, in the presence of:

NAMES AND ADDRESSES OF WITNESSES

_____	_____ (L.S.)
_____	(Principal/Obligor)
_____	_____
_____	(Business Address)
_____	_____ (L.S.)
_____	(Surety)
_____	_____
_____	(Business Address)

If this bond is executed by a corporation, it must bear the seal of that corporation.